

REMARKS

I. Introduction

In response to the Office Action dated October 21, 2003, no claims have been cancelled, amended or added. Claims 1-15 remain in the application. Re-examination and re-consideration of the application is requested.

II. Drawing Objections

In paragraph (1) of the Office Action, the drawings were objected to under 37 C.F.R. §1.83(a) because they allegedly fail to show the earning on allocated equity calculations.

Applicant's attorney traverses this objection. Applicant's attorney respectfully asserts that the figures show every element recited in the claims.

For example, FIG. 2 is described at page 8, line 2, which includes the following:

Page 8, Line 2

FIG. 2 is a data flow diagram that illustrates the operation of the Value Analyzer Calculation Engine 104 according to the preferred embodiment of the present invention. Within the Value Analyzer Calculation Engine 104, one or more Profitability Calculations 200 accept a number of inputs including Account Attributes 202, Event Attributes 204, Organization Attributes 206, and Profit Factors 208. Thereafter, the Profitability Calculations 200 invoke one or more Rules 210 that generate the FFAPM 212, which in turn are used to create the Database 214. The Database 214 may be represented along account, event, or organization dimensions, or along other dimensions as may be required. These elements are described in more detail below.

The Profitability Calculations 200 are further defined at page 11, line 18:

Page 11, Line 18

Profitability Calculations

The following describes the method used by the Profit Calculations 200:

1. Retrieve data from the RDBMS 106.
2. Calculate Net Interest Revenue for every account.
3. Calculate Other Revenue for every account.
4. Calculate Direct Expense for every account.
5. Calculate Indirect Expense for every account.
6. Calculate Risk Provision for every account.
7. Calculate Profit for every account.
8. Store the FFAPM Profit and the five factors of FFAPM into the RDBMS 106.

9. Aggregate and/or re-calculate the FFAPM Profit and the five factors of FFAPM as necessary.

Note that steps 2 through 6 perform account-level calculations. Steps 2, 3, 4, 5, and 6 can be performed independently and in parallel, while step 7 requires values derived in steps 2, 3, 4, 5, and 6, and therefore must be performed after steps 2, 3, 4, 5, and 6 are completed.

Moreover, the FFAPM 212 in FIG. 2 is defined at page 4, line 26:

Page 4, Line 26

The Value Analyzer is a data-driven computer-facilitated financial model that provides accurate and consistent profitability calculations using account, event and organization data stored in a relational database management system (RDBMS), wherein: (1) the account attributes comprise data about accounts being measured, (2) the event attributes comprise data about account-related transactions, and (3) the organization attributes comprise data about the organization's financial status. The profitability calculations performed by the Value Analyzer rely on a Five Factor Atomic Profit Metric (FFAPM):

$$\begin{aligned} \text{Profit} &= \text{Net Interest Revenue (NIR)} \\ &+ \text{Other Revenue (OR)} \\ &- \text{Direct Expense (DE)} \\ &- \text{Indirect Expense (IE)} \\ &- \text{Risk Provision (RP)} \\ &= \text{NIR} + \text{OR} - \text{DE} - \text{IE} - \text{RP} \end{aligned}$$

This definition is also supported at page 12, line 7:

Page 12, Line 7

The Profit Calculations 200 generate one or more values for the five factors of the FFAPM 212, and specifically, the NIR, OR, DE, IE, RP, and Profit values. These values are used to generate the output data 214, which can be stored by the RDBMS 106 in the relational database.

Block 314 of FIG. 3 also defines the Profitability Calculations at page 23, line 17:

Page 23, Line 17

Block 314 represents the Value Analyzer Calculation Engine 104 performing the invoked Profitability Calculations 200 using the account, event and organization attributes accessed from the RDBMS 106, as well as one or more profit factors and one or more rules. In this Block, the Profitability Calculations 200 comprise:

$$\begin{aligned} \text{Profit (a)} &= \text{Net Interest Revenue (NIR) (a)} \\ &+ \text{Other Revenue (OR) (a)} \\ &- \text{Direct Expense (DE) (a)} \\ &- \text{Indirect Expense (IE) (a)} \end{aligned}$$

- Risk Provision (RP) (a)
for an account a_i. This is described in more detail in FIG. 4 below.

Finally, Blocks 400-404 of FIG. 4 further describes the Profitability Calculations performed by Block 314, at page 24, line 3:

Page 24, line 3

FIG. 4 is a flow chart further illustrating the steps necessary for the execution of Profitability Calculations 200 according to the preferred embodiment of the present invention. Specifically, FIG. 4 describes the steps of Block 314 in more detail. Those skilled in the art will recognize that this logic is provided for illustrative purposes only and that different logic may be used to accomplish the same results.

Block 400 represents the Value Analyzer Calculation Engine 104 selecting a type of allocation for the Earnings on Allocated Equity. More specifically, the Earnings on Allocated Equity are allocated to the accounts using an option selected from a group comprising: (1) no allocation of equity; (2) an allocation of equity based on a simple equity ratio with no allowance for equity risk; (3) an allocation of equity for all assets following one or more regulatory standards; and (4) an allocation of equity using an external economic allocation rule, based on account cohorts and a capital asset pricing model.

Block 402 represents the Value Analyzer Calculation Engine 104 performing the allocation for the Earnings on Allocated Equity, based on the selected type. This is described in more detail below.

With regard to option (1), there is no allocation of equity.

With regard to option (2), the allocation of equity based on the simple equity ratio with no allowance for equity risk comprises:

$$EOAE(a) = R_{equity} * ER * \sum AB_{(asset,s,t)}(a)$$

wherein the summation is taken over all asset balances of an account a, and:

EOAE(a) = Earnings on Allocated Equity for the account a,
AB_(asset,s,t)(a) = Average Asset Balances of the account a, including any allocated asset balances,

ER = an Equity Ratio, and

R_{equity} = a Treatment Rate for equity.

With regard to option (3), the allocation of equity for all assets following regulatory standards comprises:

$$EOAE(a) = R_{equity} * \sum [Amt(a) * W(BIS(a)) * Cap Ratio]$$

wherein the summation is taken over all balances of an account a, and:

EOAE(a) = Earnings on Allocated Equity for account a,

Amt(a) = an amount related to the account a,

W(BIS(a)) = a weight determined by a regulatory standard,

Cap Ratio = a risk-weighted capital ratio, and

R_{equity} = a Treatment Rate for equity.

With regard to option (4), the allocation of equity using the external economic allocation rule, based on account cohorts and the capital asset pricing model comprises:

$$\begin{aligned} \text{EOAE}(a) &= \sum R_{\text{equity}} * E_{\text{cohort}}(a)(\text{Amt}(a)) \\ &= \sum R_{\text{equity}} * [\alpha + \beta * \text{Amt}(a)] \end{aligned}$$

wherein the summation occurs if Amt(a) is a set of values for an account a, such as the account and allocated balances of the account, and:

EOAE(a) = Earnings on Allocated Equity for the account a,
 Amt(a) = an amount related to the account a,
 Cohort(a) = a cohort of accounts in which the account a is a member,
 E_{cohort}(a) = an equity allocation rule for the cohort of the account a that comprises a linear function:
 $\alpha + \beta * \text{Amt}(a)$,

R_{equity} = a Treatment Rate for equity.

Block 404 represents the Value Analyzer Calculation Engine 104 calculating the Net Interest Revenue (NIR) as:

NIR = Interest Revenue
 - Cost of Funds
 + Value of Funds
 - Interest Expense
 + Earnings on Allocated Equity (EOAE)

wherein the Earnings on Allocated Equity includes an identification of how much equity to allocate to the accounts, and one or more rates used in the calculation of the NIR due to the allocation.

In view of the above, Applicant's attorney submits that the drawings comply with 37 C.F.R. §1.83(a), in that they show every element recited in the claims. Consequently, Applicant's attorney requests that the objection be withdrawn.

III. Prior Art Rejections

In paragraphs (2)-(3) of the Office Action, claims 1-15 were rejected under 35 U.S.C. §103(a) as being unpatentable over Lepman, EP 1208495 (Lepman). In paragraph (4) of the Office Action, claims 1-15 were rejected under 35 U.S.C. §103(a) as being unpatentable over Curley, "Royal Bank unearths profitability solution," (Curley).

Applicant's attorney respectfully traverses these rejections.

Specifically, Applicant's attorney submits herewith a Declaration under 37 C.F.R. §1.132 stating that the Lepman reference comprises a description of the Applicant's invention, and a

Declaration under 37 C.F.R. §1.132 stating that the Curley reference comprises a description of the Applicant's invention. Consequently, the references are not a proper citation under 35 U.S.C. §102/103. Thus, Applicant's attorney requests that the rejections of the claims be withdrawn.

IV. Requirement under 37 C.F.R. §1.105

In paragraph (5) of the Office Action, Applicant and the Assignee were required to provide information so that an analysis under 35 U.S.C. §102/103 could be ascertained. The Office Action implied that the analysis would be made with regard to the publication referenced above, namely Curley, "Royal Bank unearths profitability solution." The Office Action thus requested the following information: "1. The date of all pertinent public information related and associated to/with the instant application's financial processing system regarding the account, event and organization attributes, along with the profitability calculations."

Applicant's attorney respectfully submits that the Declaration under 37 C.F.R. §1.132 moots this requirement, since the Curley reference is not a prior art reference.

In addition, Applicant's attorney notes that the requested information cannot be characterized as falling within the categories of information enumerated in 37 C.F.R. §1.105(a)(1)(i)-(vii). Applicant's attorney also notes that the requested information cannot be characterized as falling within the boundaries set forth in M.P.E.P. §704.11(a). As a result, Applicant's attorney submits that the requested information is not reasonably required for examination.

In view of the above, Applicant's attorney requests that the requirement be withdrawn.

V. Conclusion

In view of the above, it is submitted that this application is now in good order for allowance and such allowance is respectfully solicited.

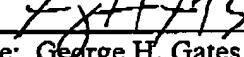
Should the Examiner believe minor matters still remain that can be resolved in a telephone interview, the Examiner is urged to call Applicant's undersigned attorney.

Respectfully submitted,

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